

Wall Street falls as investors get ready for Trump's inauguration

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US stocks fell yesterday, continuing to pull back from the post-election rally, on investor caution ahead of Donald Trump's inauguration as president today.

The Dow fell for a fifth straight day, its longest losing streak since just before the Nov 8 US election.

Still, Trump's swearing-in will mark one of the best performances for stocks for any presidential transition period of modern times. The S&P 500 is up 5.8 percent since the vote.

And though the S&P 500 sank 5.3 percent on President Barack Obama's inauguration day and tumbled 20.4 percent during the first 34 trading days of his administration, bottoming on March 9, 2009, the index has nearly tripled in price off that low. Including reinvested dividends, it has delivered a total return of nearly 295 percent.

That is the second-best run for the stock market under any president since Dwight Eisenhower.

The rally in stocks since Trump's election has slowed in recent weeks as investors look for more details on his policies.

Traders in the options market have grown increasingly cautious and have been loading up on defensive contracts, even as overall levels of stock market volatility are close to record lows.

"There has been a lot of talk about selling the inauguration because it's going to take so long to get some of these initiatives pushed through... so the market seems to have stalled out and consolidated," said Robert

"The next logical move may be down before it regroups and moves higher. Why start accumulating new positions when you don't have a real directional reason to do it?"

The Dow Jones Industrial Average .DJI closed down 72.32 points, or 0.37 percent, to 19,732.4, the S&P 500 .SPX lost 8.2 points, or 0.4 percent, to 2,263.69 and the

While S&P 500 utilities, real estate and energy led sector losses, S&P financials.SPSY weighed the most on the market, falling 0.6 percent.

The financial index, which rallied sharply following the election on Trump's promises of reduced regulations and expectations of higher interest rates, is now down 1 percent since the start of the year.

Rail shares were among the day's big gainers. Railroad CSX Corp jumped 23.4 percent after a source said CP Rail CEO Hunter Harrison, who steps down on Jan 31, is in advanced talks to team up with a former Pershing Square Capital partner to shake up CSX.

Union Pacific was up 2.4 percent after a better-than-expected quarterly net profit.

Declining issues outnumbered advancing ones on the NYSE by a 2.99-to-1 ratio; on Nasdaq, a 2.55-to-1 ratio favored decliners.

The S&P 500 posted 15 new 52-week highs and two new lows; the Nasdaq Composite recorded 75 new highs and 35 new lows.

About 6.3 billion shares changed hands on US exchanges, compared with the 6.1 billion daily average for the past 20 trading days, according to *Thomson Reuters* data.

- *Reuters*

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